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RICHARD H. LEHMAN
18TH DISTRICT
CALIFORNIA

WMP-AT-LARGE

COMMITTEE ON
ENERGY AND COMMERCE

COMMITTEE ON
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CHAIRMAN
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Congress of the United States
House of Representatives
Washington, D.C. 20515

June 28, 1994

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The Honorable Daniel Beard
Commissioner
Bureau of Reclamation
1849 C Street, NW
Washington, D.C. 20240

Dear Dan:

I am writing to you on a matter of urgent concern to my constituents in the Central Valley. As you know, the Central Valley Improvement Act (CVPIA) contains stipulations regarding water measuring devices for CVP contractors. I am concerned that these provisions are being misconstrued by the Bureau to require that the City of Fresno retrofit all households with water meters as a condition for receiving water from the Central Valley Project.

The City of Fresno contracts for 60,000 acre feet of water from the Friant Unit of the Central Valley Project and uses this water to replenish groundwater withdrawals which serve city residents. The city's contract does not expire until 2006 but could be brought to re-negotiate their contract prior to that date by the CVPIA. As I understand it, renewal of the city's contract may be contingent upon, among other things, a requirement that the City retrofit all residential units with water meters. I would strongly oppose this interpretation of the CVPIA for a number of reasons.

As you likely remember, during debate over the CVPIA, I was adamant in my opposition to required water metering of all residential households due to a referendum in the City of Fresno that prohibited water metering. It was agreed that the provision in the bill would not require water metering and the committee report for H.R. 5099 reflects this understanding. It states relative to Section 3404 (b), "The Committee would point out that this subsection does not require the metering of all homes receiving water under such a contract" (Committee Report 102-576, p. 29). Although I realize the bill changed substantially after the committee's consideration, this particular section remained virtually unchanged.

Although the committee report is fairly clear, I now understand that the Bureau may require water meters as part of its Water Conservation Plans, which all contractors may be required to have in place before they could renew their contracts. As I understand, the Plan would require that a municipal contractor fully implement the Urban Best Management Practices Memorandum of Understanding (MOU), which includes retrofit of any existing

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unmetered connections and billing by volume of use. This seems to be an contorted way of obtaining water metering over a fairly explicit prohibition in the Committee report against it.

The City of Fresno is a signatory to the Best Management Practices MOU and has faithfully implemented many of its requirements. However, the MOU was never binding, understandable given the diverse needs and resources of the urban water agencies. In fact, the City of Fresno was in the process of aggressively implementing the BMPs prior to passage of the CVPLA. With the possibility that water contracts may require full implementation of BMPs, the City is striving to further hasten its already ambitious schedule. This certainly demonstrates their desire and willingness to obtain the most efficient use of scarce water resources.

Retrofit of water meters for every residence would be very costly to a City that is already increasing its water rates by 21.3 percent, in part to keep rates consistent with the higher cost of water associated with the CVPLA. In fact, the total cost of installing water meters would be \$36.4 million or \$428 per resident. As well, the City has accumulated an operation and maintenance deficit of over \$10 million, which the City will be attempting to responsibly reduce so that it is not presented with an inordinately large water bill at the time of contract renewal. Given the difficult financial condition. Given the difficult economic conditions in the Central Valley, metering would be a substantial hardship.

Dan, advocates of the CVPLA stated that they wished to provide growing urban areas certainty about their water supply. The greater Fresno metropolitan area is one of the fastest growing urban regions in the state and desperately needs a reliable supply of water to serve its residents and businesses.

Notwithstanding the concerns I have raised, I believe this dilemma can be resolved to everyone's satisfaction. Since the Bureau's objective is to improve water use efficiency, I am certain the City of Fresno would gladly work with the agency to determine ways it might continue to improve its water use efficiency through its Water Conservation Plan. If you have any questions regarding my concerns, please do not hesitate to contact me.

Sincerely,

RICHARD H. LEHMAN
Member of Congress

cc: Mr. Roger Patterson, Regional Director

